

HOUSE BILL 986

By Matheny

AN ACT to amend Tennessee Code Annotated, Title 7, Chapter 52, Part 6, relative to local government authorization to expand advanced broadband systems.

WHEREAS, the expansion of fiber optic facilities for economic development, education and health care projects should be encouraged; now, therefore:

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 7, Chapter 52, Part 6, is amended by adding the following as a new appropriately designated section:

Section 7-52-6\_\_

(a) As used in this section:

(1) "Community improvement area" means any area within the county in which the municipal electric system's or the governmental utility authority's principal office is located and within each county that is immediately adjacent to such county;

(2) "Economic development projects" includes commercial or industrial customers located within an established industrial park or within an agricultural processing, agricultural distribution or other commercial or industrial development situated on at least ten (10) acres, and shall also include commercial or industrial customers that participate in or receive benefits or, within five (5) years prior to the extension of fiber optic facilities, have participated in or received benefits under one or more programs of the department of economic and community development or any other state or federal sponsored or supported economic development program;

(3) "Education projects" means elementary, secondary and post-secondary schools, colleges and universities, the state technology centers and all related ancillary facilities;

(4) "Fiber optic facilities" means any system, plant or equipment used for the provision of broadband services that utilizes a fiber to premises or fiber to the curb architecture; and

(5) "Health care projects" includes hospitals and all related ancillary facilities.

(b) In addition to the authorization otherwise provided in § 7-52-601, with the approval of a two-thirds (2/3) majority vote of the chief legislative body of the municipality in which the municipal electric system is located or upon approval at a public referendum held in the same manner as is provided under § 7-52-602(5), a municipal electric system shall also be authorized to construct, lease or otherwise operate fiber optic facilities to serve education, health care, and economic development projects located within its community improvement area and to thereafter use such facilities to provide cable, Internet, and other services to such locations pursuant to this part. A governmental utility authority established by private act may construct such facilities and provide such services within such area with the approval of a two-thirds (2/3) majority vote of its governing body. The areas within the community improvement area in which the electric system may extend facilities and provide services pursuant to this section shall be established by the approval of the chief legislative body, governing body, or voters, as applicable.

(c) Prior to providing any such services outside of its electric system service area, the system shall obtain the written consent of each electric cooperative or municipal electric system in whose territory the system will provide such services.

SECTION 2. This act shall take effect upon becoming law, the public welfare requiring

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